

# MARYLAND: EXPORTS, JOBS, AND FOREIGN INVESTMENT

## **Exports Mean Jobs for Maryland's Workers**

- Approximately one-seventh (15 percent) of all manufacturing workers in Maryland depend on exports for their jobs. This is below the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)
- Export-supported jobs account for an estimated 2.7 percent of Maryland's total private-sector employment (roughly one of every 37 jobs). This is below the national average of 6.5 percent. (2001 data latest available)

*Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy.*

*Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.*

## **Exports Help Sustain Thousands of Maryland Firms—Small As Well As Large**

- A total of 4,575 companies exported goods from Maryland locations in 2001. Of those, 83 percent were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated more than one-fourth (28 percent) of Maryland's total exports of merchandise in 2001.

*Source: Exporter Data Base, International Trade Administration & Census Bureau*

## **Economic Globalization: A Two-Way Street for Maryland**

- In 2002, majority-owned affiliates of foreign companies employed 106,300 workers in Maryland.
- Nearly one-sixth of these foreign-investment-supported jobs (16 percent, or 17,000 workers) were in the manufacturing sector in 2002.
- Majority-owned affiliates of foreign firms accounted for 13.0 percent—more than one-eighth—of total manufacturing employment in Maryland in 2001.
- Foreign investment in Maryland was responsible for five percent of the state's total private-industry employment in 2001.
- Major sources of Maryland's foreign-investment-supported jobs in 2002 included the Netherlands, the United Kingdom, Germany, and Switzerland.

*Note: All figures exclude employment in banks affiliated with foreign companies.*

*Source: Bureau of Economic Analysis.*

## **Maryland Depends on World Markets**

- Maryland's export shipments of merchandise in 2003 totaled \$4.9 billion, up 23 percent from the 1999 total of \$4.0 billion. Over this period, Maryland recorded the 14<sup>th</sup> fastest export growth among the 50 states.

- Maryland exported globally to 202 foreign destinations in 2003. The state's largest market in 2003, by far, was NAFTA member Canada, which received exports of \$943 million, or 19 percent of the 2003 total. Canada was followed by Egypt (2003 exports of \$328 million), the United Kingdom (\$324 million), Japan (\$311 million), and NAFTA member Mexico (\$301 million). Other top markets included Belgium, China, the Netherlands, Germany, and France.
- Maryland's biggest growth market, in dollar terms, has been Egypt. From 1999 to 2003, export shipments to Egypt increased \$219 million. Other countries to which Maryland recorded large increases in merchandise exports over this period were Mexico (exports up \$207 million), China (up \$90 million), Japan (up \$83 million), and Saudi Arabia (up \$78 million).
- Of Maryland's 30 top markets, exports to Jordan grew the fastest over the 1999-2003 period. Maryland's exports of goods to Jordan surged from \$2.7 million to \$71.6 million—an increase of over 2,500 percent. Maryland also more than doubled its exports to Kuwait, Bahrain, Mexico, Egypt, Saudi Arabia, and India.
- The state's leading export category is transportation equipment, which accounted for 21 percent, or \$1.0 billion, of the state's exports in 2003. Other top export categories were chemical manufactures (2003 exports of \$838 million), computers and electronic products (\$744 million), machinery manufactures (\$488 million), and fabricated metal products (\$246 million).
- In dollar terms, Maryland's leading manufactured export growth category is transportation equipment. Export shipments of these products during the 1999-2003 period grew from \$658 million to \$1.0 billion—an increase of \$361 million. Other manufactured export categories that registered large dollar growth over this period were chemical manufactures (exports up \$177 million), fabricated metal products (up \$107 million), primary metal manufactures (up \$104 million), and machinery manufactures (up \$82 million).
- In percentage terms, Maryland's fastest-growing manufactured export category is leather and related products, which grew 646 percent from \$8.8 million in 1999 to \$65.9 million in 2003. Other rapidly-growing manufactured exports over this period were primary metal manufactures (up 147 percent), beverages and tobacco products (up 139 percent), and fabricated metal products (up 77 percent).

*Source: Origin of Movement State Export Series, Bureau of the Census.*

*Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.*

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